India, tax on sale or purchase of goods is a State subject. On the recommendations of the Chief Minister's Conference held on 22nd June, 2000, an Empowered Committee of State Finance Minister's has been constituted which is empowered to take decisions on various issues relating to VAT, including its introduction by States. This Committee has informed that Haryana has introduced a VAT regime with effect from 1.4.2003 and that 15 other States have also indicated their willingness to introduce VAT with effect from 1.6.2003.

(c) and (d) Since VAT is a State subject, the Union Government has not conducted any study in this regard.

(e) The Empowered Committee of the State Finance Ministers has not informed that any State Government has formally opposed the introduction of VAT.

Buy back of domestic debt

4122. SHRI K. RAHMAN KHAN : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that Government propose to buy back its domestic debt worth Rs. 40,000 crores in the next fiscal year from various banks at discounted premium; and

(b) if so, the details in this regard and the benefits likely to accrue therefrom to Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) and (b) Government propose to offer a buyback of high coupon relatively illiquid Government securities on voluntary basis during the current year. The participating banks will be allowed additional deduction for income tax purposes on premium received to the extent that such premium is used for provisioning for their non-performing assets. The scheme will enable the Central Government to reduce interest burden on the outstanding market loans.

Sub-Committee on printing of currency notes

4123. SHRI PREM CHAND GUPTA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Reserve Bank of India had appointed a Sub-Committee which overruled the recommendations/suggestions of a High Powered Committee earlier formed by Government with regard to printing of currency notes in India; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) The Reserve Bank of India has constituted a Sub-Committee with the limited purpose of looking into the prices of security features recommended by the High Level Committee (HLC). The question of overruling the HLC does not arise.

(b) Does not arise.

Attachment of Maharashtra Government Treasury

4124. SHRI PREM CHAND GUPTA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that IFCI has invoked the guarantee of Maharashtra Government through Debt Recovery Tribunal for recovering its loan of Rs. 50.69 crores to a Sugar Cooperative resulting in attachment of Treasury and Reserve Bank of India account with RBI;

(b) whether it is also a fact that the Central Government have also given a number of guarantees for the loans taken by Central Public Undertakings from Financial Institutions; and

(c) if so, the details thereof and the precautions taken to avoid a similar situation at the Centre?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) The IFCI Ltd., IDBI and ICICI Bank Ltd. filed a joint recovery application before the Debt Recovery Tribunal, Mumbai on 12.9.2000 for recovery of dues against one sugar cooperative, namely Sindkheda Taluka Sahakari Karkhana Ltd. (STSKL) and the State Government of Maharashtra (Guarantor) DRT, Mumbai issued recovery certificate in August, 2001 for a total of Rs. 50.68 crore along with interest plus costs. The Recovery Officer, DRT passed an order on 6th January, 2003 for attachment of the office of Secretary, Cooperation and Textile Department, Government of Maharashtra, Mantralaya and also issued show-cause notice to the State Government as to why the Treasury and its account with RBI should not be attached.

(b) and (c) Details of guarantees given by the Central Government for the loans taken by the Central Public Undertakings from the IFCI Ltd., EXIM Bank, IDBI and IIBI are given in the enclosed Statement (*See* below).

In terms of Section 80 of the Civil Procedure Code, 1908, FIs are required to issue a notice to the Central Government calling upon it to pay the dues of FIs before filing a recovery application against a Central Public Sector Undertaking. In terms of Office Memorandum dated 24.1.1994 issued by the office of the